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PORTUGAL.

By Consul General W. L. Lowrie, Lisbon, February 9.

Despite the difficulties that Portugal faced in 1915, semiofficial statistics indicate that the value of Lisbon's over-sea trade was considerably larger than that of 1914. However, the greater part of this increased value was brought about by the higher prices paid for articles of exportation, especially wines and sardines, and by the adverse exchange rates that added about one-third to the cost of imported merchandise.

Lisbon's general importations in 1915 reached the value of 44,463,000 escudos, compared with 34,205,000 escudos in 1914, and its exports 15,004,000 escudos, as against 11,483,000 escudos. Its colonial reexports advanced from 12,242,000 escudos in 1914 to 15,001,000 in 1915, and its foreign reexports from 6,126,000 to 6,692,000 escudos, respectively. (It is impossible to compare these figures in American dollars for the reason that during six months of 1914 the escudo was worth about $1, whereas in 1915 it fluctuated around 70 cents. Taking these different valuations, a comparison of the figures would show an actual loss in the value of exports in 1915.)

Exports from Lisbon During Last Two Years.

The value in escudos of the chief articles exported from Lisbon in 1914 and 1915 is shown in the following statement:

Articles.	1914	1915	Articles.	1914	1915
	Escudos.	*Escudos.*		*Escudos.*	*Escudos.*
Beverages	65,229	127,204	Lumber	349,970	417,879
Copper ore	258,627	212,778	Olive oil	397,458	634,284
Cork:			Potatoes	278,536	51,003
Plugs	419,814	465,501	Salt	30,717	51,424
Shavings	228,088	263,301	Vegetables	94,132	288,477
Wood	2,353,581	1,796,124	Vinegar	21,706	31,908
Cotton, raw	418,297	709,878	Wheat	528,691	879,603
Cotton goods	103,949	169,541	Wine	1,968,162	2,639,406

The Import Trade.

With respect to imports, there was a decrease of 135,669 long tons of merchandise discharged in Lisbon Harbor in 1915 as compared with 1914, the totals for the two years being as follows:

Articles.	1914	1915	Articles.	1914	1915
Foreign:	*Tons.*	*Tons.*		*Tons.*	*Tons.*
Coal	809,103	771,703	Coastwise	63,080	56,024
Coke	6,513	3,227			
Sulphur	3,766	8,336	Grand total	1,526,893	1,390,724
Wood	19,868	12,030			
All other articles	624,063	539,404			
Total	1,463,313	1,334,700			

Imports of potatoes into Lisbon in 1915 fell off by 30,266,064 pounds, compared with the receipts for the preceding year; France sent 5,701,668 pounds, Spain 529,186 pounds, and England 110,905 pounds, the total for the three countries, the only suppliers, being 6,341,759 pounds.

Receipts of rice increased from 2,500 tons in 1914 to 19,196 tons in 1915, of which 16,696 tons came from Rangoon and 2,500 tons from Siam. Samples of American rice interested local importers greatly, but the prices were so high as to make competition practically impossible.

The inclusion of 17,000 tons of American anthracite in the coal imports last year represents a valuable introduction of Pocahontas coal to the Portuguese market. Prices in Lisbon ranged from $12 to $14 per ton.

Shipping Movements—Increase in Number of American Ships.

The number of ships entering the principal ports of the country—Lisbon and Oporto—in 1915 were 2,483 and 1,212, respectively, as compared with 3,083 and 1,492, respectively, in 1914; those entering the harbor of Leixoes are included with the Oporto figures.

The arrival of 19 vessels flying the American flag was an unusual occurrence in the maritime affairs of Lisbon, for prior to 1914 only one cargo boat under United States register had visited this port in 15 years. Eight schooners brought in 17,000 tons of coal; one discharged two cargoes of general merchandise, making two round trips in the year; and three oil tankers supplied the requirements of the Vacuum (Colonial) Oil Co.

Fluctuations in Exchange—Financial Conditions.

Since the outbreak of the war the purchasing power of Portuguese currency has been growing steadily less and fluctuates daily. The average quotation at the end of the first quarter of 1915 was 35⅝d.; second quarter, 35⅜d.; third quarter, 35d.; and, last quarter, 34¼d. (1 pence=$0.02).

American exchange was as high as 1.50 escudos per dollar, whereas at par the escudo would purchase a dollar. The result of this depreciation of currency was a large appreciation in the cost of foreign merchandise. It is certain that these monetary disturbances had a decided effect on commerce, but the cause lies to a large extent outside ordinary business affairs. Probably the fluctuations in exchange were due to the demands of the Government for foreign remittances to pay interest on loans and to settle for the large quantities of wheat and materials purchased abroad.

The decreased value of the paper escudo is also attributed to the amount of extra currency issued by the Bank of Portugal. It is estimated that 50,000,000 to 60,000,000 escudos in notes is sufficient to satisfy the requirements of the commerce of the country. Within 15 months the issue has been increased from 93,249,921 to 113,383,453 escudos, which, at the present rate, will soon reach the legal limit of 120,000,000. While the paper money has been steadily increasing in amount, the actual metal reserve has been decreasing.

Statement of Bank of Portugal.

A comparative statement of the Bank of Portugal for October, 1914, and December, 1915, is shown in the following table:

Item.	October, 1914.	December, 1915.	Item.	October, 1914.	December, 1915.
Reserve:	*Escudos.*	*Escudos.*	Paper in circulation:	*Escudos.*	*Escudos.*
Gold	8,015,770	8,508,516	Gold	80,279,350	109,422,470
Silver	5,219,970	3,563,387	Silver	12,960,851	3,951,283
Nickel	105,130	103,518	Copper	9,720	9,700
Copper	16,710	13,517			
Total	13,357,580	12,188,938	Total	93,219,921	113,383,453

Increased Prices of Foodstuffs.

The cost of living steadily increased during the year, especially in articles that have always been the staple food of the country—codfish, bread, and sugar. The action of the Government in importing 7,000,000 bushels of wheat to supply the deficiency of the local crop undoubtedly helped to keep down the price of bread and flour. The small villages and towns suffered more from lack of food supplies than the cities of Lisbon or Oporto.

The following prices of foodstuffs prevailed in the Lisbon market at the beginning of 1915 and of 1916:

Foodstuffs.	1915	1916	Foodstuffs.	1915	1916
Bread:	*Cents.*	*Cents.*	Meats—Continued.		
White, pound [a]	5	6	Mutton—	*Cents.*	*Cents.*
Common, do	3	4	Leg, pound	18	18
Butter:			Chops, do	15	16
First grade, do	50	51	Breast, do	15	11
Second grade, do	46	50	Pork—		
Coffee, do	30-37	33-49	Loin, do	29	36
Eggs, dozen	26	26	Head, do	13	15
Fish:			Sausage, do	33	36
Tunny, pound	11	16	Chops, do	15	18
Cod—			Milk, liter [b]	10	10
Portuguese, do	11	16	Olive oil:		
Swedish, do	16	22	First grade, do	36	37
English, do	15	20	Second grade, do	34	34
Sardines, large, dozen	6	6	Potatoes, pound	3	3
Mackerel, pair	5	6	Rice:		
Carapaux, dozen	12	12	Native—		
Flour, wheat:			First grade, do	7	8
First grade, pound	7	8	Second grade, do	5	6
Second grade, do	5	6	Bremen—		
Fowls, chickens, each	30	80	First grade, do	9	11
Meats:			Second grade, do	6	8
Beef—			Soup paste, do	10	11
Loin, pound	36	40	Sugar:		
Tongue—			First grade, do	15	16
Clean, do	32	36	Second grade, do	14	15
Furrowed, do	17	20	Third grade, do	12	13
Roast, do	20	22	Crystallized, do	14	16
Rump, do	16	20	Vegetables:		
Veal—			Beans—		
Loin, do	44	55	White, liter [b]	12	12
Legs, do	29	33	Red, do	9	9
Chops, do	29	33	Chick peas, do	16	16
Breast, do	16	18			

[a] The Portuguese pound = 1.012 American pounds. [b] Liter = 1.057 liquid quarts.

These prices are official, but in many cases buyers had to pay much more. Hotels increased their rates more than 10 per cent.

Good Market for Portugal's Products—Vintage Helped by High Prices.

In certain directions Portugal enjoyed considerable prosperity in 1915 to offset, in a measure, the effects of the war. Although its coal bill for the year doubled and even more, its agricultural products, minerals, and fish (especially sardines and tunny) were in unusual demand at greatly advanced prices. With the possible exception of corkwood, all the products of the country found a ready market.

The Government embargo affected a number of exports, but the prohibition was not an absolute one and when the supply exceeded the local demand permission to export was easily obtained.

The vintage was less than that of the preceding year, but the advance in price probably more than made up the difference. Along the River Douro, in the port wine country, quotations on that wine rose within a few weeks from 20 to 35 escudos a pipe (126 wine gallons), while the price of aguardente (brandy), employed in the manufacture of port wine, advanced from 70 escudos a pipe in July to 160 escudos before the end of the vintage.

Wine Production.

According to statistics published in Oporto, Portugal's production of wine in 1915 totaled 90,200,343 gallons, as compared with 126,011,678 gallons the preceding year.

In the following table is shown the quantity of Generosos, Verdes, Maduros, and Alcoolicos produced in Portugal during the last five years, with the total wine production for each year:

Classes of wine.	1911	1912	1913	1914	1915
	Gallons.	*Gallons.*	*Gallons.*	*Gallons.*	*Gallons.*
Generosos (full-bodied)	13,322,117	15,958,801	16,569,688	7,674,152	14,613,910
Verdes (green)	21,453,283	25,938,878	31,147,761	14,602,286	22,904,108
Maduros (ripe)	55,872,050	68,789,986	50,430,145	95,946,967	48,789,774
Alcoolicos (other alcoholic)	6,004,595	6,692,758	5,473,084	7,788,273	3,892,551
Total	96,652,045	117,380,423	103,620,678	126,011,678	90,200,343

France increased its purchases of Portuguese wine, particularly Madeira, which had had a dull market for some time.

South American countries took smaller quantities of Verde, on account of the lack of shipping facilities and the high freight.

Cork Wood and Cork Waste.

With the closing of Portugal's chief markets, Germany and Russia, for corkwood, the cork trade was so dull and the competition of the sellers so acute that there was a sharp reduction in prices, which was further aggravated by the question of exchange, as, owing to the depreciation of Portuguese currency, cork sold at currency prices could be put on the market very cheap. On the other hand, packers accustomed to sell in pound sterling (English currency) found themselves severely handicapped. This state of affairs naturally affected the farmers and landed proprietors. Many preferred not to strip the cork from the trees, fearing that the prices would be too low, and in the hope of improvement decided to wait another year. However, there was considerable buying of raw cork, and the prices obtained were not far below those of the preceding year.

Throughout 1915 the cork-waste trade was steady. There was a good demand from England, and, although trade in America was not very active, considerable waste was consumed there, the prices remaining firm on account of diminished supply. The outlook for 1916 is not promising, the shortage of steamers and the high freight rates rendering exportation difficult.

Textile Industries—Exhibition of Portuguese Manufactures.

The textile industries, although supported by foreign war orders, were handicapped by the cost of fuel and the lack of dyeing ma-

terials. Factories in the vicinity of Oporto which supply the country with the cheaper grades of woolen and cotton goods and export large quantities to the Portuguese possessions in Africa, were obliged to pay as high as 55 shillings a ton for coal, and even at that the supply was limited. An embargo on the exportation of wool was of considerable assistance.

In October, an exhibition of various articles manufactured in Portugal was held at the building of the National Geographical Society. Among the principal exhibits were: Clocks (a new industry established in Portugal since the war), vessels of enamelled iron and aluminum, general and sanitary earthenware appliances, school furniture, iron and tinware, hosiery and various knit goods, photographic chemicals, oilcloths, rain capes, rubber goods, haberdashery, toilet soaps and perfumes, oils, wines, boots and shoes, fancy leather goods, agricultural machinery, pharmaceutical and chemical products, guitars and mandolins and other stringed musical instruments, etc. Although not large, the exhibition gave a new idea of the possibilities of Portuguese industry.

Increased Production of Tungsten—Mineral Waters.

The mineral resources of the country attracted considerable attention last year, largely because of the importance of its production of wolframite (tungsten ore). The demand from England, France, and the United States became so active that prices advanced from $6.18 to $18.25 a unit. The Portuguese Government placed an embargo on tungsten, but as the mineral is not employed in any local industry it was finally arranged that each of these three countries should receive one-third the output. In some mines, taken over by an American company, the engineers discovered molybdenite, also used in steel manufacture, the existence of which in the country had not been previously known. Wolfram has been taken from alluvial deposits, but lodes will be worked in order to supply so far as possible the increased demand.

Among the resources of the country that require foreign capital for development are its numerous table and medicinal waters. The mineral waters of Chaves, Pedras Salgadas, Vidago, Caldas da Rainha, and Mouchao da Povoa are claimed by physicians to be equal to the famous waters of western Bohemia. The large hotel at Vidago and those of less pretensions at other mineral springs are frequented by hundreds of Portuguese and Spaniards during the "cure" season, but are little known outside the Iberian Peninsula, although baths of the Roman occupation period are frequently found.

A French company is building a large spa at Estoril, 12 miles down the river from Lisbon, at a cost of several million francs. The steelwork for the buildings was ordered from the United States.

Declared Exports to the United States.

Declared exports to the United States from Lisbon, Oporto, and Funchal in 1915 were more nearly normal than was expected under the circumstances. The value of crude rubber reexported from the colonies increased by more than $1,000,000 as compared with 1914, while the good demand for Madeira embroideries increased the value of the shipments by $205,057. As a result of an active demand in near-by markets and of a smaller catch of fish suitable for the American market, the declared exports of sardines fell from $623,251 to

$275,008. Portuguese figs advanced in prices by more than one-third above those prevailing in 1914, owing to the closing of the Turkish source of supply. The total value of exports of figs to the United States increased from $64,474 in 1914 to $112,918 in 1915.

The declared value of the principal articles invoiced at Lisbon and Oporto in Portugal, and at Funchal, Madeira, during 1914 and 1915 for shipment to the United States is shown in the following table:

Articles.	1914	1915	Articles.	1914	1915
FROM LISBON.			FROM OPORTO.		
Antimony		$86,922	Chemicals, drugs, etc.:		
Argols	$121,168	140,550	Tartar, argol	$194,031	$294,499
Cacao	1,467,641	751,582	Wine lees	5,414	8,009
Coffee	13,368		Cork waste, shavings	29,977	12,317
Cork:			Gold and silver sweepings	4,950	14,195
Waste, shavings	220,110	639,055	Paper, cigarette		12,819
Wood—			Port wine	130,885	121,682
Unmanufactured	1,630,540	903,748	Tungsten ore	30,126	30,669
Virgin		26,453	Wool:		
Other	8,157	42,638	Unwashed	16,950	34,201
Fish: Sardines	623,251	275,008	Washed	53,787	81,913
Fruits and nuts:			All other articles	19,087	14,845
Almonds	22,927	17,835	Total	485,207	625,149
Chestnuts		47,587	FROM FUNCHAL.		
Figs	64,474	112,918			
Walnuts	12,527		Linen embroideries	427,509	632,566
Olive foot oils	18,347	62,181	Wines, Madeira	14,703	10,536
Hides and skins:			All other articles	3,133	3,522
Cattle	3,267	93,117	Total	445,345	616,624
Goat	59,433	43,690			
Rubber, crude	581,036	1,585,727			
Spirits, wine	8,122	9,907			
Sulphur ore	282,477	122,362			
Tungsten		59,444			
Vegetables: Garlic		11,471			
Wool:					
Unmanufactured	10,727				
Unwashed		51,225			
Washed		9,077			
All other articles	22,803	44,269			
Total	5,170,375	5,139,766			

No invoices for shipments to Hawaii, Porto Rico, or the Philippine Islands were certified in this district during the year.

Trade with the United States.

Trade with the United States developed in unexpected directions in 1915 as the result of the unusual conditions. American exporters and manufacturers were able to supply many articles that formerly came from other sources. This extraordinary demand, supplementing the usual orders for merchandise of American origin, created a favorable condition which, unfortunately, could not be fully developed because of many handicaps impossible to overcome.

Whereas exporters in Portugal had the advantage of almost normal freights and ample bottoms to New York—at least until toward the end of the year—the importers were greatly hampered by the low rate of exchange, which immediately advanced the price of foreign purchases about one-third, the high freights and lack of cargo space, delays in and loss of mail and cablegrams, and the necessity of doing their banking business through London or Paris. As the result of all these hardships the Portuguese merchant was forced to limit his purchases to absolute necessities. He was faced with the possibility of being caught with a stock of high-priced goods in competition with others that might have been bought under more favorable conditions.

American Terms.

Certain necessities, such as coal, wheat, cotton, steel wire, staves, etc., had to be purchased at any price and on any terms in order that greater losses might be prevented. Lisbon importers of good financial standing, accustomed to 3 to 6 months' credit, were forced to cable remittances to New York before shipments would be made. American manufacturers and exporters writing to this office concerning a possible market for their goods almost invariably stated their terms as cash against documents at the port of shipment. This may be good business under existing conditions, but does not make friends among the Portuguese business men.

That manufacturers and exporters in the United States were interested during the year in this market is evidenced by the fact that this consulate general answered about 450 commercial inquiries, furnished local firms with addresses of 375 American concerns, and forwarded 86 "Foreign Trade Opportunities."

A great variety of merchandise from the United States is on sale in the best stores of Lisbon and Oporto, some of the articles of recent appearance being perfumes and toilet articles, shoe polish, vacuum cleaners, biscuits and confectionery, furnishing goods, and gas mantles and electrical supplies, while steel wire, iron, steel, copper, and tin, machinery, etc., all show an increased importation. Steel bands used in the cork industry came almost entirely from America last year.

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